

SEP 28 2017

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF NEW YORKLAWRENCE K. BAERMAN, CLERK  
ALBANY

UNITED STATES OF AMERICA

v.

MILES BAILEY,

Defendant.

) Criminal No. 1:17-CR-302 (FJS)

) Indictment

) Violations: 18 U.S.C. §§ 371, 641  
[Conspiracy to Steal Public  
Money]; 18 U.S.C. § 371  
[Theft of Public Money]  
18 U.S.C. § 1341  
[Mail Fraud]

) 8 Counts &amp; Forfeiture Allegation

) Counties of Albany, Rensselaer,  
Offense: SaratogaTHE GRAND JURY CHARGES:

At all times relevant to this indictment:

1. D.E. Caribe Taxes was a tax return preparation business located on Madison Avenue in Albany, New York, for which the defendant, **MILES BAILEY**, served as the principal and operator.

2. 7 Triples Racing, LLC was a New York limited liability corporation registered to **BAILEY**'s home address.

3. The defendant, **MILES BAILEY**, maintained the following bank accounts: (a) a Trustco Bank account ending in \*0644 in **BAILEY**'s name, doing business as D.E. Caribe Taxes, for which **BAILEY** had signature authority; (b) a Trustco Bank account ending in \*0094, registered jointly in the name of **BAILEY** and his father at **BAILEY**'s home address, for which **BAILEY** had signature authority; (c) a Trustco Bank account ending in \*1530 in the name of 7 Triples Racing, LLC, registered care of **BAILEY** at his home address, for which **BAILEY** had

signature authority; (d) a Citizens Bank account ending in \*260-2, in the name of D.E. Caribe Taxes, for which **BAILEY** was listed as the partial owner and had signature authority; and (e) a TD Bank account ending in \*6640, in the names of **BAILEY** and his daughter, doing business as Carib Taxes, registered to **BAILEY's** home address and for which **BAILEY** had signature authority.

**COUNT 1**  
**[Conspiracy to Steal Public Money]**

4. Between on or about March 28, 2011 and on or about July 22, 2014, in Albany, Rensselaer, and Saratoga Counties in the Northern District of New York, and elsewhere, the defendant, **MILES BAILEY**, conspired with others to steal public money by stealing, purloining, and knowingly converting to their own use money of the United States.

5. It was a purpose of the conspiracy that **MILES BAILEY** and other co-conspirators obtained money from the Department of the Treasury in the form of federal tax refunds, which they deposited and caused to be deposited into bank accounts controlled by **MILES BAILEY** for their benefit.

6. It was a manner and means of the conspiracy that **MILES BAILEY** and others caused the Department of the Treasury to issue fraudulent tax refund checks by obtaining personal identifying information of over three-hundred individuals and using this information to file, and cause others to file, false federal income tax returns with the Internal Revenue Service ("IRS") without the knowledge of these individuals.

7. It was further a manner and means of the conspiracy that **MILES BAILEY** and others obtained fraudulent tax refund checks from the IRS and deposited them into bank accounts controlled and held by **BAILEY**, and **BAILEY** kept a portion of the proceeds of these tax refunds for his personal enrichment and transferred a portion of the proceeds to other co-conspirators.

8. It was further a manner and means of the conspiracy that fraudulent tax refund checks totaling at least \$1.9 million were deposited into bank accounts controlled by **MILES BAILEY**.

### **OVERT ACTS**

9. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Northern District of New York and elsewhere:

a. On or about the following dates, **MILES BAILEY** executed and deposited, and caused to be executed and deposited, into the following bank accounts tax refund checks issued by the IRS addressed to the following individuals, identified by their initials, in the following amounts:

<b>Date of Deposit</b>	<b>Bank Account</b>	<b>Individual</b>	<b>Amount Deposited</b>
4/30/13	Trustco *0644	P.B.	\$4,951.00
7/22/14	Citizens Bank *260-2	S.D.	\$6,139.00
8/22/11	Trustco *0094	N.F.	\$4,636.00
4/14/14	TD Bank *6640	D.M.	\$1,873.00
10/19/12	Trustco *1530	J.M.	\$1,476.00
3/18/13	Trustco *0644	J.M.	\$3,801.00
3/25/14	Trustco *1530	H.M.	\$1,692.00

All in violation of Title 18, United States Code, Sections 371 and 641.

### **COUNTS 2-7** **[Theft of Public Money]**

10. Paragraphs 1-9 are hereby realleged and incorporated by reference as if fully set forth herein.

11. On or about each of the dates listed below, in Albany, Rensselaer, and Saratoga Counties in the Northern District of New York, and elsewhere, defendant **MILES BAILEY** did steal, purloin, and knowingly convert to his own use and the use of others money of the United

States, namely funds in the amounts listed below, administered by the Department of the Treasury in the form of federal tax refunds in the names of the following individuals, identified by their initials, and deposited into the following bank accounts:

Count	Date of Deposit	Bank Account	Individual	Amount of Tax Refund Deposited
2	4/30/13	Trustco *0644	P.B.	\$4,951.00
3	7/22/14	Citizens Bank *260-2	S.D.	\$6,139.00
4	4/14/14	TD Bank *6640	D.M.	\$1,873.00
5	10/19/12	Trustco *1530	J.M.	\$1,476.00
6	3/18/13	Trustco *0644	J.M.	\$3,801.00
7	3/25/14	Trustco *1530	H.M.	\$1,692.00

All in violation of Title 18, United States Code, Section 641.

**COUNT 8**  
**[Mail Fraud]**

12. Paragraphs 1-11 are hereby realleged and incorporated by reference as if fully set forth herein.

13. From on or about September 29, 2013 through in or about June 2014, in Albany and Saratoga Counties in the Northern District of New York and elsewhere, the defendant, **MILES BAILEY**, and others, devised and intended to devise a scheme and artifice to defraud P.C. by stealing part of P.C.'s tax refund and by obtaining money by means of materially false and fraudulent pretenses, representations, and promises.

14. It was part of the scheme to defraud that the defendant, **MILES BAILEY**, prepared and caused to be prepared a tax return for the taxpayer P.C. for the 2013 tax year on IRS Form 1040, causing the IRS to issue a tax refund check to P.C.

15. It was part of the scheme to defraud that the defendant, **MILES BAILEY**, without P.C.'s authorization, caused the address on the tax return to be listed as **BAILEY's** tax preparation business rather than P.C.'s home address.

16. It was further part of the scheme and artifice to defraud that on or about May 9, 2014, **MILES BAILEY** caused a tax refund check in the amount of \$18,764 issued to P.C. to be mailed from the United States Treasury Department's Regional Financial Center in Kansas City, Missouri to **BAILEY's** business in Albany, New York.

17. It was further a part of the scheme and artifice to defraud that **BAILEY** told P.C.'s father, D.C., that P.C. would receive a refund of \$11,000, not \$18,764.

18. It was further a part of the scheme and artifice to defraud that **BAILEY** paid P.C. only \$11,000 and kept the remaining \$7,764.

19. It was further a part of the scheme and artifice to defraud that after P.C.'s father confronted **BAILEY** about the underpayment, **BAILEY** made additional payments to P.C. in the amount of \$5,000, bringing the total paid to P.C. to \$16,000, and the amount kept by **BAILEY** to \$2,764.

20. For the purpose of executing a scheme and artifice to defraud and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, and attempting to do so, on or about May 9, 2014, the defendant, **MILES BAILEY**, in the Northern District of New York and elsewhere knowingly caused to be placed in a post office and authorized depository for mail certain matters and things, namely a Treasury tax refund check in the amount of \$18,764 in the name of taxpayer P.C. which was mailed from the United States Treasury Department's Regional Financial Center in Kansas City, Missouri to **MILES BAILEY's** office in Albany, New York.

All in violation of Title 18, United States Code, Section 1341.

**FORFEITURE ALLEGATION**

1. The allegations contained in Paragraphs 1-20 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(c) and 28 U.S.C. § 2461.

2. Upon conviction of the offenses in violations of Title 18, United States Code, Sections 371 and 641 set forth in Counts 1-7 of this Indictment and the offense in violation of Title 18, United States Code, Section 1341 set forth in Count 8 of this Indictment, the defendant, **MILES BAILEY**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C), any property constituting, or derived from, proceeds obtained directly or indirectly as a result of such violations.


3. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Sections 982(b)(1) and 1028(g), and Title 28, United States Code, Section 2461(c).


Dated: September 28, 2017

A TRUE BILL,

  
Grand Jury Foreperson

GRANT C. JAQUITH  
Acting United States Attorney

By:

  
Sean O'Dowd  
Assistant United States Attorney  
Bar Roll No. 518067